Buyers at APAA Show Are High on Seat Covers, Eye Body Repair Items

CHICAGO—Seat covers and auto body repair items were the big stars at the 1981 Automotive Parts and Accessories Association (APAA) show held here last month.

While traditional DIY (do-it-yourself) items continue to be popular—both at the show and in discount stores—auto buyers polled at the show said that this year's action was in seat covers, Indian blanket and fur types—carrying price tags close to $100.

Some buyers were surprised at consumer interest in the high-ticket items. Only a year ago buyers had reported a sharp drop-off in consumer purchases of high-ticket appearance items thanks to the downward-spiraling economy.

Buyers at the show were also looking at auto body repair items—for example, dent pullers and refinishers and foreign car parts—considering adding them in 1982 for their DIY customers who are fast becoming accomplished auto mechanics.

Gary Molenburg, buyer at Jefferson/Ward, "couldn't keep up" with the increasing demand for seat covers and other dress items in his chain. "The category as a whole has really expanded in the last year, especially the fur-type of covers," said Molenburg, who added that he expects the sales boom to continue into spring 1982.

Another reason for the optimism shown in the seat cover category is the change in unit packaging. This year's show was the first where most manufacturers went to box rather than bag packaging. The change gave many buyers the chance to display the merchandise more creatively, and consequently to boost sales.

Buyer Jim Rist of G. C. Murphy also looked to enter the seat cover category in time for spring '82. "I'll be adding sheepskin covers to our line and possibly other types depending on what else I see here," said Rist, who also mentioned that car body repair items will be added to his auto lineup next year.

However, not everyone was sure the category was for them. Buyer Bob Schnebelen, of Little Rock, Ark.-based Magic Mart, looked at many of the lines being offered, but viewed the item as "highly ethnic" in nature and too expensive for his mix.

"If I was going into the seat cover market I would probably have to retail the item at a regular price of $69, and I don't believe our average customer will pay that price," explained Schnebelen.

Besides seat covers and body repair items, foreign auto parts are another area buyers will be strengthening next year. Many discounters at the show reported that they were finding it profitable to cater to foreign car owners.

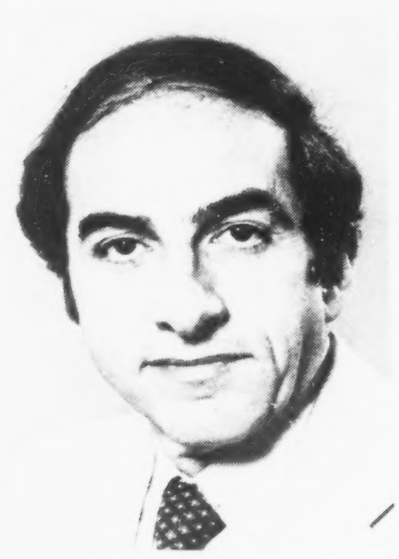
Doug Capps, buyer at Wisconsin-based ShopKo, currently features an 8-ft. imported part section which is adjacent to, but not integrated with, his domestic section.

Despite what Capps termed "the low percentage of foreign

(Continued on page 106)

Bruce G. Allbright

Gerald L. Kanter



Robert Floum

Allbright's Departure For Woolworth Caps Executive Turnover at Target

MINNEAPOLIS—The extensive top executive turnover at Target—capped by president Bruce G. Allbright leaving to join F. W. Woolworth Jan. 1 to head up the United States Woolco and Woolworth operations—has resulted in observers wondering what will be the impact on the pacesetting, upscale discounter.

(George W. Nelson, Allbright's predecessor at Woolworth, is taking early retirement.)

Allbright, who has been president of Target for four years, made his move just days after Target completed a major reorganization of its top staff by creating an executive vice president-marketing post as the top merchandising spot to go along with the exec vp, store operations, position established earlier this year.

The reorganization of the top merchandising staff last month came just a half year after Target strengthened its Midwest base by revamping 40 acquired Ayr-Way stores, and Stephen Pistner lured away a group of Dayton Hudson and Target executives to Montgomery Ward.

The moves have Target watchers asking this question:

What effect will the loss of five key executives—four of them going to Montgomery Ward—have on the discounter?

Company executives asserted that the merchandising staff changes were geared to handle Target's long-range growth, and weren't related to the loss of the four executives that preceded Allbright's upcoming move to F. W. Woolworth as chairman and chief executive officer of the United States Woolco and Woolworth arms.

Target's merchandising staff changes also saw the former key tier composed of two senior vp, general merchandise managers, further broken down into two hard lines spots and one soft goods post.

The merchandising realignment saw Gerald L. Kanter, senior vp, gmm, soft lines and seasonal, promoted to exec vp-marketing. This new spot is the merchandising twin to the exec vp, store operations, post filled by O. C. Adams, who was advanced from senior vp, store operations.

Kanter's soft lines responsibilities went to Robert Floum, vp, merchandise manager, soft lines, who was named senior vp, gmm, soft lines.

(Continued on page 105)

Intimate Apparel Market Is Seen Growing From $5B to $8B Over the Next Five Years

NEW YORK—Industry officials estimate that the intimate apparel market will grow from $5 billion to $8 billion over the next five years.

Discounters, which currently have a 22% share of the market, expect to garner at least 20% of the new growth.

According to a panel of manufacturer and discounter representatives at the New York Underfashions Club, it's time for manufacturers to "get their heads out of the sand" when it comes to servicing discounters, and for discounters to pay closer attention to their departments.

In the first in a series of seminars sponsored by the Underfashions Club (a group of lingerie manufacturers and retailers founded in 1958 as the Corset and Brassiere Women's Club), the topic was "Don't Discount the Discounter." Panelists—including Venture's Maxine Clark, senior vp of advertising and promotion, and Gwendolyn Widell, buyer; Irwin Roseman, vp marketing, Lovable; and Steve Delman, president, Splendorform—provided a view of the changing form of the intimate apparel scene in discount stores.

Clark, speaking for Venture, which has gone to an all-hanging intimate apparel department and instituted a new test program for category identification, told the retailer/manufacturer audience: Venture, like other discounters, is adapting to the changing marketplace.

"Discounters are vying for the same discretionary dollars as traditional department stores and specialty stores," said Clark. She added that the stigma attached to shopping a discount store has disappeared with the state of the economy and the advent of more upscaled discounters.

To change with the marketplace, Clark said Venture and other discounters have "traded up, tempered by reality," still offering their customers value in terms of price, personal identification with product and time savings.

Widell, a former buyer for Macy's and I. Magnin, explained Venture's philosophy: "We go narrow and deep in a classification. We cull the assortment and show minimal styles and presentations."

(Continued on page 94)

Heck's Gains New Indiana Foothold By Acquiring 14 Mr. Wiggs Stores

CHARLESTON, W. Va.—Heck's has acquired 14 Mr. Wiggs stores, obtaining a foothold in a relatively new Indiana market and strengthening its position in northeastern Ohio and its nine-state trading area.

With the acquisition, Heck's also boosted the number of units operated over 100 (to 110), while Mr. Wiggs all but made its exit from discounting.

Mr. Wiggs will continue to operate only one discount store, in Steubenville, Ohio, with the bulk of its business thrust now centered on Arrow Distributing, a music distributor, and four RTW lease operations in Youngstown, Ohio.

According to a statement released by Edwin Z. Singer, chairman of the Beachwood, Ohio-based Mr. Wiggs, the sale came because of the increased difficulty of making a small company prosper in mass retailing. Singer was unavailable for further comment. No purchase price was announced. In 1980, Mr. Wiggs sold five Kentucky units to Heck's.

That gave Heck's 18 units in the Bluegrass state, including entry into one of the state's major city markets in Lexington. Continuing to strengthen its position in that market and simultaneous with the latest acquisition announcement, Heck's opened its newest and 96th unit in Winchester, Ky., near Lexington.

The newly obtained Mr. Wiggs are located in Sandusky, Fremont, Wooster, Piqua, Tiffen, Painesville, Van Wert and Port Clinton, Ohio, and Fort Wayne (3), Richmond, Marion and Auburn, Ind.

Prior to obtaining the Indiana locations, Heck's presence in that state was limited to Madison and Kokomo. The Kokomo unit, a former Tradeway store, was acquired just this fall.

The 14 additional units also represent a 20% increase in selling space (788,000 sq. ft.) to the discounter. The stores, ranging in size from 43,700 sq. ft. to 71,000 sq. ft., generated sales of $53 million for Mr. Wiggs in 1980.

Under the terms of the sale agreement, signed Nov. 25, Heck's will take over the stores Jan. 5, including remaining merchandise and fixed assets. The majority of the Mr. Wiggs employees will be retained.

Heck's executives said the new stores will be redesigned and remodeled and will reopen under the Heck's nameplate in March.

Heck's opened 10 new stores in 1981, including a new unit in Waynesboro, Va., which opened the same day as the Winchester, Ky., unit. The discounter also operates stores in West Virginia, Tennessee, Pennsylvania, North Carolina and Maryland.

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Increased Initial Markups Protect Gross Profits From Markdown Impact

NEW YORK-Higher initial markups protected discounters' gross profits from the heavy markdown pressures they took in many categories in 1980/81, according to the Mass Retailers' Merchandising Report recently released by the National Mass Retailing Institute (NMRI).

Higher markups protected gross profits (even with higher markdowns—both promotional and otherwise) in almost every soft goods category—except women's blouses, men's wear and jewelry—as well as in housewares, paints and accessories, and toys and games. The NMRI studied 47 discounter departments.

Discounters also bought extra profit margin points in records and tapes and pets and accessories, thanks to higher initial markups and lower markdowns compared to 1979-80, the last year the study was completed.

Gross profits declined in 14 departments including high-traffic areas such as traffic appliances, drugs and cosmetics, auto accessories and sight and sound.

In the 27 categories gaining gross profit ground, the largest average gain was posted in discounter home improvement departments with gross profits up 21.1%, compared to the 1978/79 report.

In 15 other merchandise categories, gross profits declined and in 10 of those 15 categories inventory turnover also dropped.

(Continued on page 106)

Performance of Key Categories a Mixed Bag

	% Total Store Sales		% Maintained Markup		Annual Promo Markdown		% Gross Profit		Turns	
Department	'79/'80	'80/'81	'79/'80	'80/'81	'79/'80	'80/'81	'79/'80	'80/'81	'79/'80	'80/'81
Men's Wear	7.9	7.5	38.7	37.6	7.9	6.7	35.2	35.8	3.6	3.4
Drugs & Cosmetics	7.3	7.5	26.7	26.7	NA	8.0	24.6	24.4	4.2	3.8
Women's Blouses, Sports, Leisure & Beach Wear	5.9	7.2	39.6	39.7	5.8	6.4	33.1	37.2	4.8	5.1
Housewares	6.7	7.1	35.0	35.8	8.9	9.4	32.9	34.6	3.8	3.2
Domestics	5.8	6.2	36.3	37.3	10.2	10.7	36.1	35.9	2.7	2.7
Toys & Games	6.2	6.1	31.2	33.8	6.7	7.0	29.2	30.6	4.0	2.8
Shoes	3.8	4.5	41.6	44.0	NA	NA	39.3	41.5	2.3	2.4
(Inside) Auto	5.0	4.2	31.2	30.4	8.7	9.2	29.8	28.6	4.0	3.2
Men's Coats, Outerwear, Sportswear	5.8	4.1	37.5	41.0	NA	6.0	35.3	36.8	3.5	3.4
Boys'	2.8	3.5	37.4	39.3	6.7	7.4	35.8	35.6	3.3	3.3
Hardware	4.6	3.3	36.4	36.4	7.9	8.2	34.8	35.7	3.0	2.3
Infants' Wear & Juvenile Furniture	2.9	3.1	33.3	36.9	6.1	6.3	33.4	33.9	3.6	3.8
Sporting Goods	3.4	3.1	29.0	32.1	NA	8.7	29.1	30.0	2.5	2.6
Girls' Wear	2.7	2.9	35.0	39.9	4.1	5.7	36.0	37.0	4.1	3.9
Lawn & Garden	3.4	2.7	28.4	29.5	9.6	11.3	26.8	25.2	4.4	4.0
Photo (Includes Photofinishing)	2.4	1.8	16.8	18.5	NA	8.9	17.1	16.7	4.1	4.2

□ = *Decline* ■ = *Increase* *NA = Not available* *Source: NMRI*

K mart Adopts New Financing Method For the Majority of Its Future Stores

TROY, Mich.—K mart and its developers have turned to a new, innovative method to tap the public money market for financing the construction of new stores.

The discounter joined with Merrill Lynch to put together a debt-security package that involves the sale of the mortgages of 25 K mart stores—about half developed by the discounter—and which will raise $80 million from the premier issuance of the securities.

A K mart spokesman said the discounter "plans to use this method of financing for the majority of its new stores in the future," including those built by the discounter and by developers.

The 25-year mortgage securities were being issued just as K mart reported mixed results for its third quarter ended Oct. 28: Sales went up 19% from $3.37 billion to $4.02 billion, while net earnings plunged 56% to $14 million from $30.06 million.

A short interest report issued by the New York Stock Exchange at the same time showed that short positions in K mart stock shot up 35.3%, to 203,386 shares on Nov. 13, compared with 150,345 shares on Oct. 15.—a sign of investor concern about K mart's sales and earnings in the face of the recession.

K mart, however, is more concerned about the availability of mortgage funds (both for itself and for its developers) for the approximately 170 new stores the discounter plans to open during each of the next few years.

(Continued on page 98)

K mart Trades Up Catalog For Yule; Prices Reappear

TROY, Mich.—K mart has traded up its Christmas catalog.

The second year into its holiday catalog program, the discounter raised the page count to 32 from 24 a year ago and moved up to rotogravure printing, improving the art work along the way.

The message was clear: Branded hard goods and fashion (an eight-page apparel spread debuted in this year's catalog) underscored by the quality of the handout, six million of which were stuffed into shoppers' bags across the country.

Price got less stress this year with the discounter committing to prices that were higher, in many cases, than those of both discounter competitors and catalog showrooms. A *DSN* price check in various markets around the country, however,

(Continued on page 105)

New Maxway Upscales Presentation, Not Mix

PEARISBURG, Va.—In a community of 25,000 people with an average per-person working income of approximately $7,000, trading up is not the route to follow to achieve a successful discount store business.

That was the message sent by the new Maxway here, the chain's fourth discount store. Although officials commented that they are taking their cues from such upscale discounters as Target and Venture, it is the presentation that is upscale while the mix is basic and holds the line on price points.

In cutting back the number of sku's and gondola runs, this 33,-800-sq.-ft. store, 28% smaller than its predecessors, is expected "to produce the same sales as our larger stores with a much better return on investment," according to J. Craig Dodson, president of Macks, operator of Maxway. Dodson said that the chain's other Virginia store, in Wythesville, has experienced some difficulties with sales since it is in head-to-head competition with an established Rose's store.

The Pearisburg store, in a developing mall with an open Rite Aid drug store and a Food Town grocery store under construction, faces limited competition from an independent discount store. Maxway's strength is in its 45% soft lines mix, with a new apparel presentation and an expanded domestics department.

Frank Warner, merchandise vice president, said: "This is the first time we are leading people directly into apparel." In the other three stores, apparel is found in the center; here it is placed along the right side of the entrance on a carpeted floor. Obviously, Maxway is following the lead of other chains that are attempting to more fully capitalize on apparel's strong margins.

Blue signs hang above all the soft-line merchandise, with orange indicating hard lines. Warner commented: "We want to show our customers a clarity

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Gold Circle Opens Smaller Store

Gold Circle chairman Norman Matthews (l.) and president Jim Guinan (r.) look for better return on investment in 1982 for their 36-unit chain via new strategies introduced at the new Severance Center location in Cleveland Heights, Ohio, including more mall locations scaled to the smaller 85,000-sq.-ft. size, with an improved/upscaled decor and presentation.

By Betty J. Taylor

CLEVELAND HEIGHTS, Ohio—Smaller stores and mall locations will figure prominently in Gold Circle's future, as the 36-unit division of Federated Department Stores looks to improve its return on investment and profit contributions to its parent company.

In a new 85,000-sq.-ft. store—which is nearly 25% smaller than traditional Gold Circles—opened here in suburban Cleveland, the strategy is to move the same assortment found in larger stores into a more compact area, via taller, higher fixtures and trimmed nonselling space. The result, chain officials expect: more turns on merchandise and greater sales per square foot.

This, the chain's ninth store in the Cleveland market, is also evidence that Gold Circle is committed to building new stores in existing Midwest markets. Earlier this year, Gold Circle closed seven California stores in an exit from that market, and announced plans to concentrate closer to its distribtuion center and home base in Columbus, Ohio.

The new unit, located in a new wing of Severance Center—Cleveland's oldest mall—will be the model for at least three stores planned for 1982. New units, including two in mall locations, are to opened in Cincinnati, Rochester and Pittsburgh. The refined decor and presentation of the Severance store will also go into three Clarkins takeovers in Ohio, which are scheduled to be remade in 1982.

Chairman and ceo Norman Matthews said the parent company is committed to an aggressive expansion program. The search is on for new markets near the distribution center that have the density of population, competition and growth that will allow the chain to meet corporate standards for return on investment. The move to a mall, for the synergy created in that atmosphere, and the reduced store size are also efforts

(Continued on page 97)

Last of Two Guys' Stores Reportedly Will Shutter Next Summer

(Continued from page 3)

Pa., and Union, North Bergen, Jersey City, Kearny, Lodi and Toms River, N.J.

More than a dozen discounters have been offered sites by Interstate Properties. These chains, which have stores in various markets in Pennsylvania, New Jersey, New York, Maryland, Connecticut and Massachusetts where Two Guys has units include K mart, Woolco, Cook United, Caldor, Lloyds, Nichols, Times Square Stores, J. W. Mays and Alexander's.

Bradlees, Jamesway, Clover and Hills executives said their companies have looked at some sites as possible acquisitions. Ames has ruled out any Two Guys stores, with an executive citing their large size and unfavorable locations.

Two Guys owns most of its stores. The chain is also unionized, and this could present major problems for anyone taking stores. Most other discounters aren't unionized and wouldn't want to take on unionized workers.

As for the latest group of executives let go, they include Jerry Jay, assistant vice president, advertising and sales promotion; Erich Meder, assistant vp, internal sales representative, and soft goods merchandisers Frank Zozzaro, Alice London, Jim Heayn, Lowell Adams, Michael Silverman, Sey Orlowsky and Robert Hollis, and hard lines merchandisers Shel Gordon, Gerry Seifert, Ralph Ricci, Robert Gawlowski, Paul Egan and Joe Stettner.

A number of discounters have started to hire Two Guys' field level and store personnel, but no headquarters executives or merchandisers have been signed up.

The going-out-of-business sales are being conducted by Two Guys employees, but the discounter is using outside consultants to coordinate the promotion.

Vornado operated its greatest number of stores in 1977, when it had 82 Two Guys, 58 Builders Emporium home centers and three Sutton Place catalog showrooms.

But in that year it began to sell off stores as profits plunged from $11 million on $762.8 million in sales in 1972 to only $38,000 on $946.5 million in volume in 1976.

Twenty-two Two Guys in California were sold in late 1977 to FedMart, while the Builders Emporium chain was sold to Wickes in two stages in late 1977 and early 1978.

The drastic scaling-down of the Two Guys operation came as Vornado's sales dropped to $933.6 million and it had a $9.8 million loss in 1977. The next year paper profits went up to $10.7 million, due to the gain from the sale of the Two Guys and Builders Emporium stores and a change in accounting for warehouse costs, but sales continued to drop, hitting only $675.2 million.

It was all down hill after that, as sales continued to drop and losses mounted, hitting $3.6 million on a volume of only $615.5 million in 1980.

Complicating Two Guys' problems was a bitter proxy fight waged by Interstate Properties in 1979 which resulted in the insurgents winning three seats on the board of directors, with another two going to them the next year.

Interstate Properties, in its battle, had argued that Two Guys was worth more as a real estate operation than as a retailer. The insurgents promised to shift the company's focus and began to do so at the start of 1980 by leasing and/or selling a dozen stores in the Greater Philadelphia Area to Montgomery Ward.

Increased Initial Markups Protect Gross Profits

(Continued from page 5)

Discounters were able to hold the line on (average) maintained markup during the latest period. In 23 of the 47 categories, maintained markup as a per cent of sales was higher than it was a year ago. Women's coats and suits posted the greatest gain with maintained markup rising 25.1%; the greatest decline (in average markup) was in costume jewelry, down 13.4%.

Promotional markdowns as a per cent of total department markdowns rose in 16 of the 47 categories studied.

On the soft goods side, promotional markdowns were greater during 1980/81 in women's coats and suits; lingerie and foundation garments; hosiery; blouses; sweaters; sports, leisure and beach wear; girls' wear; boys' wear; infants' wear; domestics; handbags and accessories, and jewelry and watches.

On the hard goods side, average promotional markdowns were up in housewares; hardware; toys and games; lawn and garden, and inside automotive accessories, not including service or labor charges.

Promotional markdowns on candy also increased during the period.

Insufficient data was available for comparison for 22 of the categories; promotional markdowns as a per cent of total markdowns were reduced in nine categories, including traffic appliances, sight and sound, men's wear and women's dresses.

Total annual markdowns were up in 36 of the 47 categories and were reduced in five: books, pets and accessories, records and tapes, men's furnishings and women's foundation garments. Comparable data on the six remaining merchandise categories was unavailable.

Annual markdowns taken, in addition to home improvement, more than doubled on stationery, where they totaled 8.1% in 1980/81, up from 4% in 1979/80, and on jewelry and watches, up from 7.4% to 16.8%.

Auto

(Continued from page 4)

cars in his home state," he is looking to expand his basic DIY import selection with a deeper array of oil and air filters and spark plugs.

"However, there's still not enough activity for us to devote an entire section to import parts alone," he added.

Unlike Capps, Molenburg of Jefferson/Ward has his foreign part mix integrated with domestic parts. "We combine the two categories because of the similar price structure and we've found that tie-in sales have also increased," he explained.

On the strength of its success in foreign car parts, Clover added foreign repair manuals during the past year. At the same time it expanded the foreign parts section from 4 ft. to 6 ft., according to Charles Hirschfeld, Clover's auto buyer. Hirschfeld expects the area to continue to grow in 1982, especially in the highly urban areas where most Clover units are located.

While most buyers at the show were there to fine-tune their departments, one chain sought to totally revamp its long-neglected auto section.

Newly appointed Grand Central auto buyer Dean Stokes (formerly divisional merchandise manager, hard lines, at Cook United) was walking the show looking for goods to build his department from 140 linear ft. today to 210 ft. in 1982. "Our auto department has been neglected in favor of the other hard line departments that had better bottom lines," Stokes said. "We're here to rectify that situation."

Seat covers, both sheepskin and the Indian blanket types, chemicals and touch-up spray paint were all at the top of Stokes' shopping list. Currently these categories are "weak or virtually nonexistent" at Grand Central, he said.

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Discount Store News®

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Digest

Sections:

Today's *DSN* starts four sections to appear in every issue, and one, Specialty Store News, to appear every other issue:

Hardware

Kerosene heater sales march on as consumer advertising, awareness increase. (p. 6)

Blister packs are muscling out bulk nail displays at chains. (p. 6)

Housewares

Stemware and combo sets are getting year-around attention by discounters in glassware departments. (p. 10)

Bradlees' chair/seating items get departmentalized. (p. 10)

H&BA

Toothpaste wars are brewing and discounters are finding it tough handling new brands. (p. 12)

Sun preps give discounters jump over supermarkets. (p. 12).

Catalog Showroom News

Service Merchandise opens a mini-showroom. (p. 21)

Gordon Jewelry will open five stores in fiscal '82. (p. 21)

Specialty Discounters

Video equipment is the major growth area in electronic departments. (p. 22)

Filene's Basement to spread to New York. (p. 22)

Consumer Electronics Show: Pp. 27-39
20th Anniversary Nostalgia Quiz: P. 2

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King's Future Is in Question As Losses, Closings Mount

NEWTON, Mass.—The continued operation of King's is in question as store closings and operating losses mount, and competitors begin bidding for remaining pieces of the chain.

Additional turmoil hit the company with the resignation of president Paul Kwasnick shortly before Christmas, though the company had made no comment about the resignation at presstime. Executives at King's, including Kwasnick, refused to comment on the resignation or the store closings.

Closings in recent weeks and others scheduled—59 to date—will soon leave the chain with less than 200 stores, prompting observers to wonder what KDT chairman Sol Kittay's next move will be.

(Kittay owned a 12% controlling interest in King's, along with the 63-unit Barkers and 102 Franklin variety stores, when he engineered King's purchase of those stores in 1980. King's absorbed Barkers and grew to 253 units, becoming KDT. Franklin was sold to Petrie Stores.)

The number of stores to be closed has already outstripped the 50 units orginally mentioned by King's in mid-September, and *DSN* has learned that at least one competitor, Jamesway, had a verbal agreement for acquisition of King's stores that were not included in the original closing list. A signed deal was expected this month.

Paul Kwasnick, president of King's for several years during the 70's and recalled to the top spot by King's chairman Sol Kittay for a second term last year, has resigned.

The negotiations signal that more closings are on the way, leaving the eventual size of the pared-down chain a mystery. Continued losses would probably fuel further jettisoning of stores. King's put off announcement of its third-quarter results, which included large losses, for several weeks.

Immediately prior to the release of third-quarter results, which showed a loss of $29.4 million for the quarter and $34 million for the nine months ended Oct. 31, KDT stock hit a new low for the year of 4⅜. It had been as high as 12⅛ early in 1980. The net loss included a $41.2 million deduction for the quarter and $40.5 million for

(Continued on page 46)

Several Chains Run Below Game Plan

Yule Volume Bleak Omen For Toy Fair

Nationwide DSN Report

A spate of early, deep-cut promotions and canceled reorder plans marked the final weeks of the Christmas season in toys, as flat business to that point provided bleak prospects for this year's Toy Fair.

Several chains—spread from the Northeast to California—reported running below plan in the toy department, 2% to 5% in some cases. Though most budgets were within reach with a surge in late-season sales, as happened last year, discounters reported planning conservatively for 1982. At least one major chain will cut its ordering at the Toy Fair dramatically.

"If we spent 'X' at the Toy Fair in 1981, we will reduce that by 25% to 30% for 1982," a spokesman at Woolco said. "We will approach the Toy Fair in a conservative manner, and put ourselves in a position to reorder if needed."

Other chains said no significant changes in their approach to the Toy Fair would be made, although they did change reordering patterns late in 1981.

At King's, a spokesman reported the chain was "ahead of last year in all toy categories," but reordering was cut off a week to 10 days earlier than usual to put the chain in a better inventory position for this year's first quarter.

A spokesman at Fisher's Big Wheel said reordering was down almost 50%—in a move to increase turns with the reduced inventory—and said the chain "would not buy into last-minute problems." A merchandiser at Prange-Way said reorders at that chain were also down from last year, though the day after Thanksgiving had been the largest-volume day in the chain's history. Woolco cut off its reorders a full month earlier than in past seasons, a spokesman said.

Manufacturers also noted the marked decrease in reordering from discounters as the season wore on, including some cancellations from chains such as Wal-Mart, T.G. & Y. and Target. They also reported "doing very well with K mart" on items that the chain advertised.

(Continued on page 47)

The lagging economy took its toll on discounter toy departments, forcing some to take dramatic action: Gold Circle, here in Cleveland Heights, Ohio, sliced 20% off every toy sticker price. *(DSN photo)*

Woolco Quitting Little Rock, Atlanta; Chicago Pullout Talks Make Progress

NEW YORK—Woolco is closing out its fiscal year by pulling up stakes in Little Rock, Ark., and shuttering its last remaining Atlanta store.

In Chicago, talks for disposal of the seven Woolcos there are reportedly "fairly well down the road." A company spokesman said a signed agreement for the stores is unlikely before the fiscal year ends (Jan. 31), though the units are almost sure to go before the end of this calendar year.

"Chicago, Atlanta, and Little Rock represent total evacuation of a market," said F. W. Woolworth senior vp of corporate development Harold Sells. "There will be other closings, but those will be isolated cases of stores that are not performing in a given market."

Woolco will also begin the new year by remodeling up to 25 units over the first half, featuring women's wear departments which are 25% larger than in traditional Woolcos, at 12,000 sq. ft.

No one has picked up the Atlanta Woolco, the chain's sole unit there since the 1980 closing of two other Woolcos, but the lease on the space is nearly up. The three Woolcos still operating in Little Rock have been acquired by Target, which will begin remodeling them in mid-March. The units will be Target's first in Arkansas. Woolco has two more units in the state (Fort Smith and El Dorado) which it will continue to operate.

Woolco expects to close half of the more than 30 stores on its "disposal list" during 1982, in continuing efforts to achieve a turnaround from lackluster performance. The pruning will be coupled with the budgeted addition of nine new stores to be scattered among the chain's markets.

"The 30-plus stores is the number we would be willing to get rid of, if we could get a favorable real estate deal. We would sublet or sell the lease back to the landlord, and make better use of the dollars," Sells said. "About half of the total will probably go in 1982. These are not situations where it is so bad that we have to close and get out; they are borderline-to-minus situations that we can live with."

Referring to Chicago, Sells

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HARDWARE

Fringe Products Again Become 'Never Outs'

Hardware buyers loosened their inventory purse strings a little last year, putting Christmas orders slightly ahead of 1980's sales.

Much of the gain evident in the November '81 Product Movement Audit reflected more liberal sku replacement programs, which discounters put into play in 1981. "Items that became fringe in 1980, such as flame tips for propane torches, once again became 'never outs' in 1981 as discounters once again began to fill their shelves on a more regular basis," said Steve Plecko, tool merchandise manager for Stem Distributors, Maple Heights, Ohio.

Staples were Stem's top sellers once again this past holiday season, with the #9330 Dustbuster—a gift favorite—the top dollar mover, up from the third spot in the spring selling season. Interestingly, two new B & D items, an electric tacker and a nail gun, did not finish among the top 15 dollar items, mostly because the manufacturer did not put the kind of consumer ad dollars behind the items as it put behind the Dustbuster or its three Workmates. With the holiday ads timed to break at the end of October, discounter inventories were ready.

The #79-003 Workmate 27-in. single-height model finished third, up from 13th place in the June 1981 PMA; the #790009 Workmate 27-in. dual-height model placed fourth after not placing in June; and the #79-020 Workmate slipped from sixth to seventh place—although 861 more units moved than in June.

As for the power tool category, it "has gone well because we have concentrated on basic assortments," according to Ray Fondran, Stem's power tool merchandise manager. Although Stem has been seriously looking to trim its power tool line, it has not yet gotten out of Skil or cut back on its Wen stock as previously planned.

In the power tool PMA listing, the #574 Skil 7¼ 13/4h.p. circular saw and the #919/PR19 Wen 3-in. belt sander were each line's top dollar mover.

In hand tools "there is a more optimistic attitude at the retail level," reported Plecko.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BLACK & DECKER			
1	9330 Dustbuster	3,056	30.25	92,4[illegible]
2	7127 3/8 Drill, var speed rev	3,001	24.71	[illegible]
3	79-003 Workmate single htg	1,235	53.14	[illegible]
4	79-009 Workmate 27"-dual ht	765	85.25	64,449.00
5	7308 7¼-Circular saw	1,716	33.08	56,765.28
6	7190 3/8 Drill, V/S rev-lock	1,445	34.41	49,722.45
7	79-020 Bench top, Workmate	1,045	39.73	41,517.85
8	7390 7¼-Delxe circ saw D/I	772	46.55	35,936.60
9	7580 Jig saw, variable speed	1,082	29.91	32,362.62
10	7004 ¼ Drill, dble/insul	2,124	13.89	29,502.36
11	7504 Jig saw, dble/insul	1,799	15.46	27,812.54
12	7404 Sander, dbl/insul	1,052	24.43	25,700.36
13	7300 5½-Circular saw	820	29.70	24,354.00
14	7104 3/8-Drill, dble/Insul	1,246	18.01	22,440.46
15	7436 Sander, dual/act 13 sht	600	28.64	21,480.00
	IMPORTS			
1	T440 Int/Sls 40-pc socket set	4,879	9.00	43,911.00
2	T221/02-248 21-pc ¼ & 3/8 socket set	5,762	6.75	38,893.50
3	DP3MJ 3-spd, 8"-drill press	226	105.00	23,730.00
4	419P ½x3/8x¼ Comb skt set, 52-pc	812	22.95	18,635.40
5	TK62 Comb socket/tool set, 62-pc	365	29.25	10,676.25
6	DB500 ¼ HP, 5"-bench grinder	254	40.50	10,287.00
7	T226 Int/Sls 3/8 deep skt, 26-pc	681	14.99	10,208.19
8	T35 Int/Sls 3½" bench vise	763	11.70	8,927.10
9	615-2 2-Ton cable hoist puller	324	24.75	8,019.00
10	A118 Int/Sls 5/8x14'-tow tope	785	7.92	6,217.20
11	T40 Int/Sls 4"-bench vise	374	14.25	5,329.50
12	T199/SH7VP 7-pc wood hndl S/D set	619	4.49	2,779.31
13	T4 Int/Sls 4-lb splitting wedge	552	4.49	2,478.48
14	752B 4-Way crimping tool	408	5.63	2,297.04
15	T8S Int/Sls sledge hammer, 8 lb	168	13.59	2,283.12

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	POWER TOOLS			
1	W-280 Wagner power painter	177	98.44	17,423.88
2	574 Skil 7¼, 13/4HP-circular saw	329	42.00	13,818.00
3	571 Dremel Moto-shop saw/sand comb	168	64.10	10,768.80
4	2501 Dremel Moto Kit/25 acces sgl	255	40.41	10,304.55
5	584 Skil Var/rev 3/8-drill	274	32.24	8,833.76
6	919/PR19 Wen 3"-belt sander	96	48.79	4,838.40
7	2003 Skil Cordless 3/8-quick chg	98	39.09	3,830.82
8	573 Dremel Moto Shop accessory kit	163	22.78	3,713.14
9	943 Wen 7"-sander polisher	71	48.79	3,464.09
10	Moe 2-sabre engine oil, 2 cycle	1,512	1.50	2,268.00
11	2200 Wen drill, cordless, rev 3/8	45	44.33	1,994.85
12	2305 Wen chain saw, chain sharpener	98	20.08	1,967.84
13	1130 Howard H/S drill set, 13-pc	192	9.19	1,764.48
14	2000 Wen 10"-electric chain saw	30	50.55	1,516.50
15	16/L25 Lenk 25W-soldering gun	256	5.16	1,320.96
	TOOLS			
1	T50 Arrow staple gun, chrome	2,137	15.39	32,888.43
2	8200 PK Weller 100/140W soldergun	991	21.43	21,237.13
3	OX-2500 Bernz tote torch kit	553	33.00	18,249.00
4	SB 201-4 Screwball driver w/socket	1,060	14.19	15,041.40
5	UL100 Bernz propane blow torch	1,584	9.43	14,937.12
6	FL-19 Waterloo 19 1/8 box, one tray	846	14.10	11,928.60
7	K110 USM multihead rivet tool	1,639	7.24	11,866.36
8	Chi-36W Chopper I ax	372	30.99	11,528.28
9	JT Bernz torch kit, plastic box	526	21.23	11,166.98
10	TX9 Bernz fuel cyl	4,236	2.47	10,462.92
11	PL425 Stanley tape 25'-powerlock	884	11.08	9,794.72
12	213H Petersen fifth set w/6LN	760	11.92	9,059.20
13	ET50 Arrow electric staple gun	374	24.01	8,979.74
14	JL-17 Waterloo 20"-box, one tray	323	23.49	7,587.27
15	60305 Woodings Wood Buddy, 3-lb. maul	580	12.98	7,528.40

Source: Stem Distributing, Maple Heights, Ohio.

GEAR UP FOR THE OUT-OF-SEASON SHOOTER.

All along, Crosman has been telling hunters to stay in shape for *the* season by working out all year.

Which is why so many of them have been buying Crosman airguns. And practicing like crazy.

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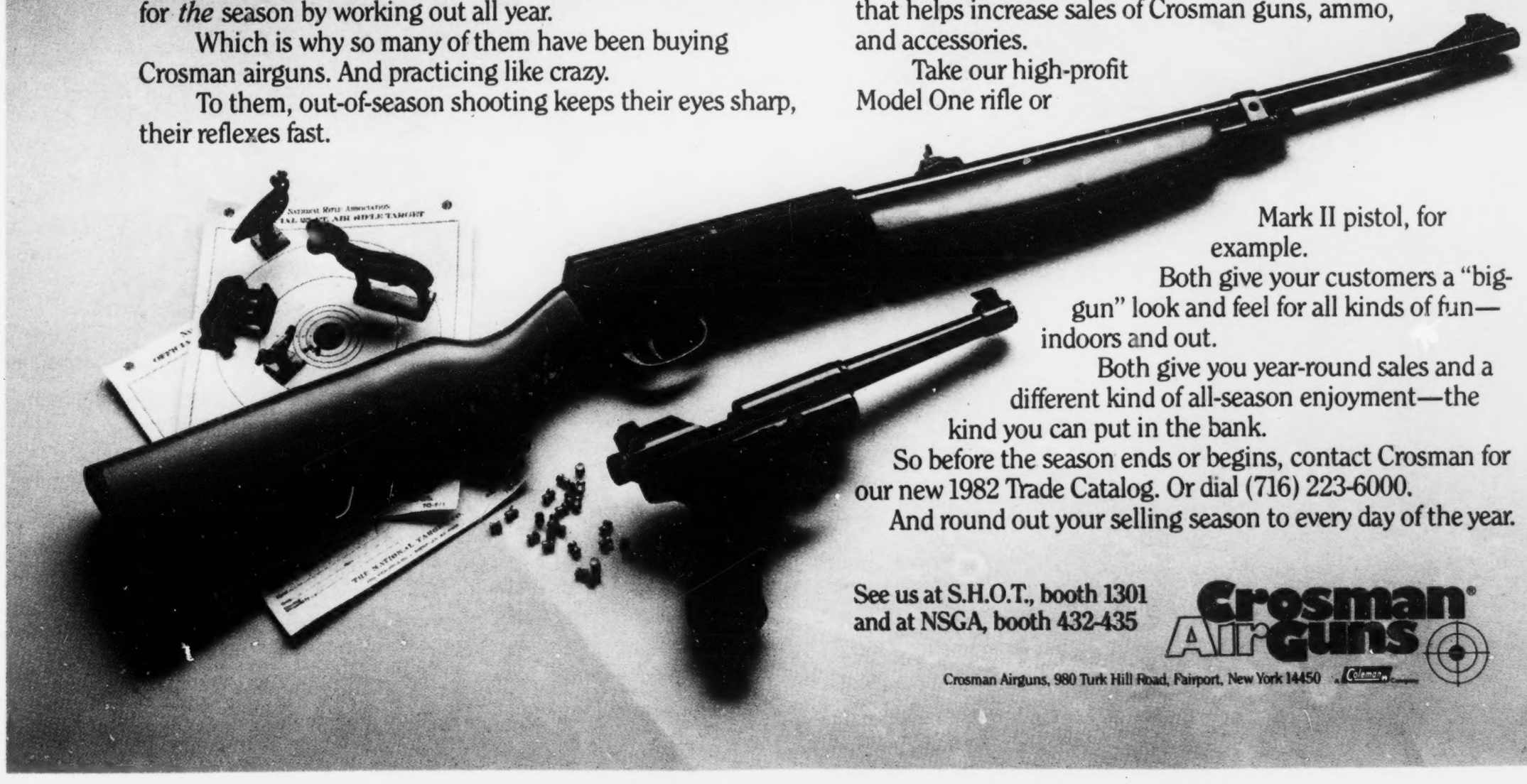

Both give your customers a "big-gun" look and feel for all kinds of fun—indoors and out.

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So before the season ends or begins, contact Crosman for our new 1982 Trade Catalog. Or dial (716) 223-6000.

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HOUSEWARES

Surge Foreseen For Microwave Cookware Biz

Several indications of what 1982 holds may be found in this special four-category Product Movement Audit: significant growth in the microwave cookware category, further entrenchment of combination sets in glassware and the continuing dominance of nonstick finishes in bakeware.

The audit, supplied by HalMar, distributor based in Holyoke, Mass., covered the six-week selling period between Sept. 30 and Nov. 11, 1981.

Three microwave cookware items appear on this audit. And, Harold Rubin, HalMar's president, expects microwave cookware to appear on the audit regularly in 1982, despite past sluggish sales in the ovens and the cookware in the Northeast. A major factor stimulating cookware sales will be an increase in promotional price activity in the microwave ovens themselves.

This price competition—in the regular and small-size ovens—will bring the appliance within the price reach of a greater number of customers. Combine this stimulus with the microwave cookware manufacturers' historical post-holiday promotions to accommodate customers receiving the ovens as Christmas gifts and the sales rate of the cookware should pick up significantly.

Other aspects of the microwave cookware category which bear watching are sales growth in browning grills and in small-size items appropriate for single and small households, and the need to merchandise microwave cookware in its own section—regardless of manufacturer—to facilitate customer selection.

In the glassware category, it is no surprise that during the holiday selling season, 10 of the 15 items making the audit were combination sets—with the 24-pc. sets leading the pack. And, three stemware items from Libbey showed up as leaders during this prime-time period for stemware.

This trend toward combination sets, according to Rubin, will continue throughout 1982. Since discounters have met little to no price resistance from customers, the combo sets will be stocked continuously to provide higher-ticket, higher-margin sales for glassware. Glassware suppliers have increased their offerings in sets—primarily in 18- and 24-pc. packages—to meet the expected greater demand.

Since the sets are offered in clear glass—crystal and colors—a trend to watch is the possibility of an increase in clear glass sales at the expense of decorated glassware. Stripes and geometrics may be the patterns most adversely affected.

Corning's 16-pc. Corelle sets continued to dominate the tabletop category.

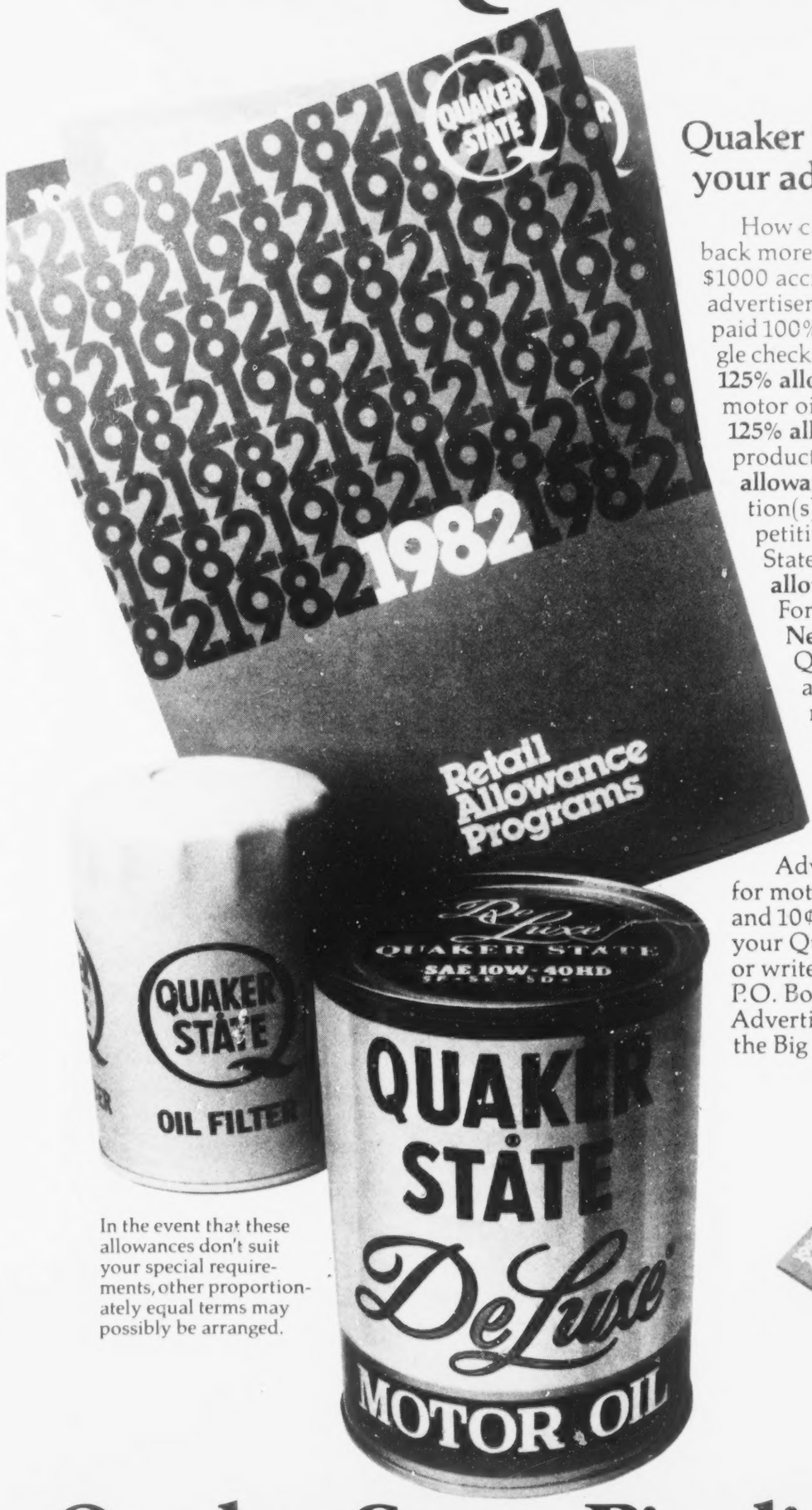
In the bakeware category, 12 of the 15 items making the audit are from the Baker's Secret lineup, reflecting the strength of the nonstick finish despite its higher price.

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
GLASSWARE					
1	—	Libbey 24-pc set, Bolero Blue	1,493	13.49	20,140.57
2	2	Anchor Hocking 40-pc st, Entrtnrs	454	26.09	11,844.86
3	—	Libbey 24-pc st, gld, Cntry Grdn	565	20.69	11,689.85
4	1	Anchor Hocking 24-pc st, Nwprt gld	849	12.59	10,688.91
5	—	Libbey 24-pc set, Bolero Gold	1,349	13.49	10,198.01
6	5	Anchor Hocking 24-pc st, Shrwd Crytl	830	12.14	10,076.20
7	—	Libbey 24-pc st, Twny Apollo	480	19.07	9,153.60
8	4	Anchor Hocking 24-pc st, Shrwd Brwn	750	12.14	9,105.00
9	—	Libbey 24-pc st, Twny Entrtnrs	490	16.19	7,933.10
10	10	Libbey 12½-oz bv, Brkshr, 8-pc	522	10.52	5,491.44
11	3	Anchor Hocking 24-pc st, Nwprt Crystl	434	12.59	5,464.06
12	—	Libbey, all-purpose wine, Mr. Pro	882	6.11	5,389.02
13	—	Libbey red wine, Mr. Pro	862	6.11	5,266.82
14	—	Libbey tall wine, Citation	768	6.11	4,692.48
15	6	Anchor Hocking Snoopy bank	2,562	1.70	4,355.40
CORNING					
1	11	Covrd. Casserole, 2½ qt, Frnch Whi	156	16.19	25,256.40
2	14	Menu-ette set, Cornflower	1,150	19.79	22,758.50
3	1	3-pc French White set	312	38.69	12,071.28
4	3	Sidekick	1,310	8.09	10,597.90
5	4	Casser-ette	1,150	7.55	8,682.50
6	—	Microwave 10"-cvrd ckr w rck	463	17.99	8,329.37
7	6	Microwave browning grill	335	24.74	8,287.90
8	—	Microwave rack	864	8.99	7,767.36
9	—	Counter-Saver, 14" x 20" whi	336	21.59	7,254.24
10	4	Du-ette set, Cornflower	483	14.39	6,950.37
11	—	Counter-Saver, 14" x 20", Spc	285	23.39	6,666.15
12	—	Teapot, 6-cup, Spice	324	17.09	5,537.16
13	9	Grab-it set	489	10.61	5,188.29
14	—	Teapot, 6-cup, Wildflower	291	17.09	4,973.19
15	12	Pie plate, 10", Frnch Whi	452	5.89	4,470.24

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
TABLETOP					
1	1	Corelle 16-pc set, green	3,008	31.49	63,231.92
2	3	Corelle 16-pc set, gold	178	31.49	56,052.20
3	9	Corelle 16-pc set, blue	1,244	31.49	39,173.56
4	2	Corelle 16-pc set, Woodland	1,238	31.49	38,984.62
5	4	Expressions, 20-pc st, Indn Smmr	584	63.89	37,311.76
6	5	Expressions, 20-pc st, Wldflwr	482	63.89	30,794.98
7	11	Corelle 16-pc set, white	966	29.69	28,680.54
8	7	Expressions 20-pc set, Meadow	406	63.89	25,939.34
9	6	Expressions, 20-pc st, Strwbrry	334	63.89	21,339.26
10	8	Dimension IV, 16-pc st, Cnmn	342	38.69	13,231.98
11	12	Dimension IV, 16-pc st, almd	252	38.69	9,749.88
12	14	Corelle Traditions, 20-pc st, hrvst	164	47.69	7,821.16
13	—	Corelle Traditions, 20-pc st, hrvst	158	47.69	7,535.02
14	—	Corelle small plate, green	792	8.72	6,906.24
15	15	Corelle Traditions, 20-pc st, Spi	136	47.69	6,485.84
BAKEWARE					
1	1	Ekco 13"-oblng ck pn, Bkr's Scrt	3,464	3.41	11,812.24
2	2	Ekco 17¼"-ck sht, Bkr's Scrt	2,085	3.86	8,048.10
3	4	Ekco 15¼"-ck sht, Bkr's Scrt	1,904	3.41	6,492.64
4	5	Ekco 14½"-roast pn, Bkr's Scrt	1,389	4.67	6,486.63
5	3	Ekco 12-cup muffin pn, Bkr's Scrt	1,313	4.13	5,422.69
6	6	Ekco 9¼"-loaf pn, Bkr's Scrt	1,604	3.05	4,892.20
7	10	Ekco 13¼"-ck sht, Bkr's Scrt	1,653	2.69	4,446.57
8	8	Ekco 17¼"-cookie sheet	1,768	2.42	4,278.56
9	14	Ekco 13"-roasting pn, Bkr's Scrt	1,977	2.06	4,072.62
10	—	Ekco 8½"-loaf pn, Bkr's Scrt	1,551	2.51	3,893.01
11	—	Ekco 12-cup muffin pan	1,048	2.96	3,102.08
12	—	Ekco 8"-round cake pn, Bkr's Scrt	1,323	2.24	2,963.52
13	—	Ekco 8"-sq cake pn, Bkr's Scrt	905	3.05	2,760.25
14	—	Ekco 14½"-roast pan	918	2.96	2,717.28
15	15	Ekco 10¾"-bsct/brnie pn, Bkr's Scrt	996	2.69	2,679.24

Source: HalMar Inc., Holyoke, Mass.

New allowance deals from Quaker State.



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